

Who Can Taxpayers Hold Accountable?

WASHINGTON. D.C. – House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) and Financial Services Committee Ranking Member Spencer Bachus (R-AL) sent letters today to Treasury Secretary Timothy Geithner and the Special Inspector General for the Troubled Asset Relief Program (TARP) Neil Barofsky calling for an “audit of the formation, content and operation of these [AIG] trust arrangements and the degree to which the public can be confident in their ability to hold the trustees available.”

The AIG Credit Facility Trust Agreement was established to manage the government’s ownership stake in AIG and charged three trustees with the responsibility to manage and dispose of the taxpayer’s 80 percent share in AIG.

“It is not clear how the American people can hold the AIG Trustees accountable for their actions. While the trustees have the discretion to exercise full control over AIG, since the American taxpayers own nearly 80 percent of its shares, the trustees cannot be fired if their decisions conflict with the preferences of government officials,” Issa and Bachus wrote. “This raises a troubling and urgent question: who can the American taxpayers hold accountable if the trustees make a decision that is not in their best interest?”

Issa and Bachus also noted that the “lack of transparency and accountability in the operation of the AIG Trust is particularly relevant if Treasury moves forward with a similar trust agreement for its interest in Citigroup.”

“If the AIG Trust is going to be the model for the delegation of the management of the public’s shares in Citigroup and other bailed out companies, the American people have a right to know how these trusts are going to be designed, how they will operate, and how the trustees can be held accountable,” Issa and Bachus wrote. “President Obama has repeatedly promised an unprecedented level of transparency and accountability for his Administration’s bailout efforts. Once again, the American people are not getting what they promised.”

Click [Here](#) to view Ranking Member Issa and Bachus’ letter to SIGTARP Barofsky

Click [Here](#) to view Ranking Member Issa and Bachus’ letter to Treasury Secretary Geithner

